

Rubin, Bailin, Ortoli, Mayer & Baker LLP
Counselors at Law
405 Park Avenue
New York, New York 10022-4405

R. Meloni Private Fax: (212) 755-0321

Office Fax: (212) 826-9307

Tel: (212) 935-0900

FACSIMILE COVER SHEET

To: Jeff Jacobson, Esq.

No.: (516) 295-6872 Client No.

Re: Gordon Gano - Violent Femmes

Date: April 18, 2001

Hard copy of attached documents will () will not (x) be mailed or delivered.

This will outline the terms of the agreement between VF2, Inc., and Brian Ritchie and Gordon Gano, its sole shareholders, in connection with the winding up of VF2, Inc. and its dissolution:

1. Gordon will perform at 7 confirmed dates only (4/19 - 4/30). They are:

4/19	Providence, RI	Brown U.	\$ 25,000
4/22	Champaign, IL	U. Of IL	\$ 14,000
4/23	DeKalb, IL	Otto's	\$ 14,000
4/24	Sioux Falls, IA	Washington Pavilion	\$ 15,000
4/27	Grand Fork, ND	U. of No. Dak.	\$ 25,000
4/28	Duluth, MN	Duluth Ent. Conv.	\$ 20,000
4/30	NYC	Irving Plaza	<u>\$ 15,000</u>
		Gross:	\$128,000

NO OTHER DATES MAY BE BOOKED OR CONFIRMED.

2. Brian and Gordon will each be paid \$1,000 per show (total \$14,000).
3. 100% of the net receipts of the tour will be used to pay down the corporate debts, which will be handled exclusively by Gordon.
4. Brian will irrevocably authorize Gordon to dissolve VF2 as soon as possible. In order to do so, the corporation's outstanding debts must be paid. To the extent there is any deficiency after application of the net receipts of the tour, at Gordon's option, he will either loan the corporation the balance to retire the debts or, alternatively, those debts will simply be paid from those revenues, at Gordon's direction. If Gordon loans the monies to VF2, he will be repaid out of 100% of any and all revenues received by VF2 until he is fully reimbursed.

EXHIBIT

5. Both parties agree that, from this point forward, Gordon will be solely responsible for winding up VF2's affairs. Also, both agree that neither party may cause VF2 to incur any additional debt without the prior written consent of the other. To the extent either does, they will be personally responsible for such debt.

6. The current corporate debts as per Howard Comart are:

Comart & Koppel:	\$38,495
Hornblow Group:	\$26,095 ¹
Myman, Abell:	\$ 9,577
Guy Hoffman:	\$20,000
DV Productions:	\$ 610
Dominick Engel	\$ 5,000 ²

7. To the extent either Brian or Gordon (either individually or on behalf of VF2) are claiming payment and/or reimbursement for any funds paid or services rendered in the past, or either is claiming that the other incurred expenses for VF2 which were either unnecessary, not approved, etc., whether now known or hereafter discovered, such claims will be forever waived and relinquished by both Brian and Gordon and VF2. They include, without limitation: (1) Brian's Internet services fee; (3) Gordon's reimbursement of \$9,000 for video; (3) Gordon's reimbursement of \$2,000 paid to Guy Hoffman; (4) costs of flutes purchased by Brian; (5) cost of Gordon's tour bus.

To the extent permitted by the Tax Code, both Brian and Gordon may take a loss for whatever they were claiming, as described above, and which they are now waiving.

8. Accordingly to Kitman, the original 8 dates will cost approx. \$47,000 (that includes the cost for the one canceled date in Mankato, so the actual cost may be lower). Thus, for the 7 confirmed dates in which Gordon will perform, the gross receipts will be \$128,000. The net receipts (estimated) will be \$56,200 calculated as follows:

Gross:	\$128,000
Costs ³ :	Tour expenses \$ 45,000 (est.)
	Agent: 12,800
Fees:	<u>14,000</u> (\$1K per show for Brain/Gordon)
	<u>(71,800)</u>
Net(est.):	<u>\$ 56,200</u>

¹ Jamie Kitman instructed a UK licensee to pay Hornblow, not VF2, the net royalty receipts of \$20,000 less \$8,000 UK taxes withheld. Hornblow retained the net receipts of \$12,000 against its debt, \$3,000 of which was his commission on the UK gross funds. Thus, the \$35,095 previously owed has been reduced by \$9,000.

² These are out-of-pocket expenses (\$2,000) and deferred fees (\$3,000) to the video producer, who advanced costs and used help on the video who were never paid.

³ Jamie Kitman has agreed to waive his management commission of 15% for these tour dates.

To the extent that the tour nets less than \$50,000, then any deficiency will be taken out of Brian and Gordon's tour fees equally, so that the net is not less than \$50,000. There is an approx. \$6-8K cushion, so I expect that may not be necessary. However, we need to cover any unanticipated expenses. As it stands, Gordon may have to advance \$50-60K to VF2 to fully retire all debts. He is not willing to advance any more than that.

9. The equipment in storage will be sold by VF2, although either Brian or Gordon may purchase any items at fair market value.
10. Songwriting credits and publishing as stated on existing recordings (Violent Femmes) will be deemed accurate and true. Brian and Gordon have a exclusive publishing administration arrangement with Alan Skiena, which will continue.

Brian will continue to receive an income participation in the amount of 7.5% of Gordon's net receipts (after management and publishing administration fees) on all Violent Femmes songs he did not write in consideration for his services as an "arranger." Except: (1) "I Can Change", in which Brian's participation will be 20%, and (2) "Gone Daddy Gone" for which Brian will continue to receive a percentage of net receipts as per the following splits:

- a. Willie Dixon/Hoochie Coochie Music: 25% (included a sample from a Willie Dixon song).
- b. Gordon Gano: 58-3/4%.
- c. Brian Ritchie: 16-1/4% (inclusive of his 7.5% "arranging" participation).

Brian also has co-writer interests on other songs, for which he will be paid (inclusive of the "arranger" percentage) as in the past.

Alan Skiena will continue handling the administration and payment of Brian's income participation to Brian Ritchie as in the past.

10. **Website:** The website for VF will be killed. If it is ever reactivated, it will require the prior written approval of both Brian and Gordon. The domain name should be preserved in the name of Brian and Gordon jointly.
11. **Group Name:** Brian and Gordon agree to customary restrictions on the use of the name "Violent Femmes" (i.e., no individual member can use the name as musical group, recording artist). Variants such as "formerly a member of Violent Femmes" are OK). Trademark ownership will be in the joint names of the members.
12. **Pension Plan:** As per Howard Comart's recommendation, the group's pension plan be terminated, with each member rolling over their 50% share into their own 401K's or other plans.

I suggest that if these terms are acceptable., that both Brian and Gordon sign off on this fax to indicate their agreement, before either leaves for Providence tomorrow. I will prepare a more formal agreement for them to sign today or tomorrow, but their signatures on this fax will form a binding, and the entire, agreement until a more formal agreement is signed.

ACCEPTED & AGREED TO:

Brian Ritchie Dated: April 18, 2001

Gordon Gano Dated: April 18, 2001

By: Robert S. Meloni, Esq.

We are transmitting 2 page(s), including this cover sheet. If transmission is not complete, please call (212) 935-0900.

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To: Jeff Jacobson, Esq.

No.: (516) 295-6872

Client No.

Re: Gordon Gano - Violent Femmes

Date: April 18, 2001

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1. Gordon will perform at 7 confirmed dates only (4/19 - 4/30). They are:

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Gross: \$128,000

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2. Brian and Gordon will each be paid \$1,000 per show (total \$14,000).
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4. Brian will irrevocably authorize Gordon to dissolve VF2 as soon as possible. In order to do so, the corporation's outstanding debts must be paid. To the extent there is any deficiency after application of the net receipts of the tour, at Gordon's option, he will either loan the corporation the balance to retire the debts or, alternatively, those debts

will simply be paid from those revenues, at Gordon's direction. If Gordon loans the monies to VF2, he will be repaid out of 100% of any and all revenues received by VF2 until he is fully reimbursed.

5. Both parties agree that, from this point forward, Gordon will be solely responsible for winding up VF2's affairs. Also, both agree that neither party may cause VF2 to incur any additional debt without the prior written consent of the other. To the extent either does, they will be personally responsible for such debt.
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² These are out-of-pocket expenses (\$2,000) and deferred fees (\$3,000) to the video producer, who advanced costs and used help on the video who were never paid.

³ Jamie Kitman has agreed to waive his management commission of 15% for these tour dates.

Net(est.):	<u>(71,800)</u>
	<u>\$ 56,200</u>

To the extent that the tour nets less than \$50,000, then any deficiency will be taken out of Brian and Gordon's tour fees equally, so that the net is not less than \$50,000. There is an approx. \$6-8K cushion, so I expect that may not be necessary. However, we need to cover any unanticipated expenses. As it stands, Gordon may have to advance \$50-60K to VF2 to fully retire all debts. He is not willing to advance any more than that.

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I suggest that if these terms are acceptable., that both Brian and Gordon sign off on this fax to indicate their agreement, before either leaves for Providence tomorrow. I will prepare a more formal agreement for them to sign today or tomorrow, but their signatures on this fax will form a binding, and the entire, agreement until a more formal agreement is signed.

ACCEPTED & AGREED TO:

Dated: April 18, 2001
Brian Ritchie

Dated: April 18, 2001
Gordon Gano

By: Robert S. Meloni, Esq.

We are transmitting 3 page(s), including this cover sheet. If transmission is not complete, please call (212) 935-0900.

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Tel: (212) 935-0900

FACSIMILE COVER SHEET

To: Jamie Kitman - Hornblow Group

cc: Jeff Jacobson, Esq.

No.: (845) 358-8041

Client No.

Re: Violent Femmes

Date: April 20, 2001

Hard copy of attached documents will () will not () be mailed or delivered.

This is to confirm your agreement wherein you agreed that if Gordon performs at the 9 dates (4/22 through 5/19) set forth below, you will waive your commissions on the tour receipts from the first 7 dates listed below. You are not waiving your commission on the dates at Brown University on 4/18 (not listed below), and the dates at Montgomery, AL on 5/26 and Chicago, IL on 5/19 (listed below). Your commission on those three dates only will be 15% of the gross paid to VF2.

4/22	Champaign, IL	U. Of IL	\$ 14,000
4/23	DeKalb, IL	Otto's	\$ 14,000
4/24	Sioux Falls, IA	Washington Pavilion	\$ 15,000
4/27	Grand Fork, ND	U. of No. Dak.	\$ 25,000
4/28	Duluth, MN	Duluth Ent. Conv.	\$ 20,000
4/30	NYC	Irving Plaza	\$ 15,000
5/11	Cincinnati, OH	Jammin' On Main	\$ 25,000
5/26	Montgomery, AL	Montgomery Jubilee	\$ 25,000
5/19	Chicago, IL	U. of Chicago	\$ 35,000

As per Howard Comart, your unpaid commissions as of 3/15/01 totaled \$35,095.55. He also advised that you instructed the UK licensor to pay Hornblow the net receipts due the artists in the amount of \$12,000 (\$20,000 less \$8,000 withheld for UK taxes). Thus, the current amount due you is \$26,095.55 (i.e., \$35,095.55 plus \$3,000 commission on UK monies less \$12,000 retained by Hornblow), plus the \$3,000 commission for the Brown University date, plus your out of pocket expenses for the group, through today's date, which you represented totaled approximately \$1,000.

Also, Gordon has agreed that VF2 will guarantee you payment of the amounts due you, in the amount of \$29,095.55 plus your out of pocket expenses (not to exceed \$1,200), and your commission on the three dates described above (if VF2 is actually paid

on such dates), provided you provide me with an itemized list of such expenses, which payment shall be made to you on or before May 15, 2001.

Of course, Gordon's to the foregoing is expressly contingent on: (1) Gordon and Brian entering into a written agreement signed by Brian to, among other things, dissolve VF2 and to retire all of the corporation's outstanding debts, in the form attached hereto, and (2) that VF2 is paid in full for all of the dates referred to above, provided that any failure by any venue or promoter to pay such monies is not due to the non-appearance of Gordon Gano at any such show.

AGREED:

HORNBLOW GROUP

By: _____
Jamie Kitman

VF2, Inc.

By: _____
Gordon Gano

By: Robert S. Meloni, Esq.

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Office Fax: (212) 826-9307

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FACSIMILE COVER SHEET

To: Jeff Jacobson, Esq., Dan Weiss, Esq. cc: Howard Comart

No.: 645-5038 Client No.

Re: **Violent Femmes/Gordon Gano and Brian Ritchie/VF2, Inc.**

Date: May 14, 2001

Hard copy of attached documents will () will not (x) be mailed or delivered.

The following are the rough numbers of tour receipts/expenses, and paid/unpaid VF2 debt through today, as per Howard Comart (they include all dates performed to date, taking into account the Berkeley date and the canceled Cincinnati date):

Tour to date:

1. Gross received to date:	\$153,000
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Expenses:	Agent:	\$15,400
	Hornblow:	\$ 7,500 ¹
	Gano:	\$ 7,000
	Ritchie:	\$ 9,000
	Road Exp.:	\$29,600
	Crew:	\$15,500
	Bus:	\$ 5,000
	Air/Hotel:	\$23,700
	Hoffman:	<u>\$ 4,000 (@\$500 per show)</u>

(\$116,700)

Net to date:	\$ 36,300
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2. There is approx. \$20,000 additional in VF2's bank account. \$ 20,000

¹ This represents 15% commission on the Providence date (\$20,000) and the Berkeley date (\$30,000), although I will see if Kitman will waive this fee since it substituted for the Cincinnati canceled date, which was not commissionable.

3. There is about \$3,000 "road float" held by road manager. \$ 3,000

4. Comart has paid the following:

Comart & Koppell:	\$25,000
Hornblow:	\$26,095 (old commissions)
DV:	<u>\$ 610</u>
	(\$51,705)

5. Unpaid corporate debt:

Comart & Koppell:	\$13,000
Myman, Abell:	\$ 9,577
Guy Hoffman:	\$20,000
Dominick Engel	<u>\$ 2,000</u>

(\$45,577)

6. Outstanding tour expenses (through 5/14/01) including crew,
Brian and Gordon fees for one show, Guy Hoffman for one show: (\$ 5,400)

OUTSTANDING DEBTS: (\$43,382)

Thus, the additional dates (5/25 - 7/13) which will gross another \$132,500 (plus the club date of \$4,500 +70%) and, if we are lucky, at the current burn rate for tour expenses, *may* cover this outstanding debt (N.B. Kitman will be commissioning these dates). I don't see any reason for Gordon to agree to pay each member more than the \$1,000 per show as before, since Gordon only wants to do these dates to pay the balance of the debt. Either way, Gordon has said in no uncertain terms that the rate will be fixed at \$1,000 for the additional shows.

By: Robert S. Meloni, Esq.

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